

# DoD NAF Health Benefits Program (HBP) Information

## Issue 10 6-1-04

### Medicare Drug Discount Cards

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As of June 1, 2004, if you are eligible for Medicare, you may be eligible for a Medicare drug discount card for an enrollment fee of no more than \$30 a year. All Medicare beneficiaries, except those who already have Medicaid outpatient drug coverage, will be able to enroll in the Medicare approved drug discount card program. For information on how the drug discount card program operates, who can qualify, which card to choose, how to join, and comparative information on card sponsors, you may call 1-800-MEDICARE or visit [www.medicare.gov](http://www.medicare.gov). The Medicare website contains many links answering those questions, as well as research tools.

The NAF HBP does not administer the Medicare drug discount card program because the NAF HBP offers prescription drug coverage on a three-tier prescription plan basis. Under the three-tier plan, generic drugs are offered at a \$10 co-pay, name brand drugs are offered at a \$20 co-pay, and drugs not on the Aetna formulary for prescription drugs are offered at a \$30 co-pay. (The Aetna formulary is simply Aetna's list of preferred prescription drugs approved by the Food and Drug Administration.) When using the NAF HBP prescription drug benefit, you will not be able to use the Medicare drug discount card to receive additional savings on the co-pays.

In order to make a decision as to whether the Medicare drug discount program is beneficial to you and your family, you may want to list the prescription drugs you use, the total cost of the drugs, and whether the prescriptions are available under the NAF HBP three-tier prescription drug program.

The Medicare drug discount card program generally saves the participant 10-15% on the total drug cost, which might not be the savings you are seeking if you can obtain the same or similar drug for a \$10, \$20, or \$30 co-pay under the NAF HBP.

However, the Medicare drug discount program may save you money on drugs not covered under the NAF HBP.

For further information on the Medicare drug discount program, call 1-800-MEDICARE, or visit [www.medicare.gov](http://www.medicare.gov). You may research the NAF HBPs Aetna formulary on-line at [www.aetna.com/formulary](http://www.aetna.com/formulary). If you do not have access to a computer, contact Aetna Customer Service at 1-800-367-6276, for assistance.

### Subrogation

Some of you may have received a letter from Rawlings, a company contracted by Aetna for the NAF HBP, in regards to subrogation. Subrogation refers to the right of the NAF HBP to substitute itself for a plan participant in the recovery of expenses incurred by a covered NAF HBP participant due to an illness or injury for which a third party may be liable.

In most cases this involves the recovery of monies paid to you by the NAF HBP for medical claims when the negligent party in a third party liability situation, such as an automobile accident, should pay those medical claims.

The right to recover money allows the NAF HBP to keep its expenses as low as possible, which in turn helps control health premium costs in the future. Subrogation also helps to prevent a NAF HBP plan participant from being paid more than once for their injuries or illness. The plan is only trying to recover the medical claims costs it paid on behalf of the member where a third party should be liable for the medical claims costs.

Rawlings contacts NAF HBP participants for subrogation efforts by mailing a letter. The letter describes who the Rawlings Company is and asks the participant to complete a questionnaire enabling Rawlings to determine if a third party is responsible for paying the medical claim instead of the NAF HBP. A postage paid envelope is included for the participant's convenience.

If you have any questions following receipt of a subrogation letter, you may call the Rawlings customer service number listed at the end of the letter.